

806 KAR 30:060. Forms to be approved.

RELATES TO: KRS 304.30-080, 304.30-120

STATUTORY AUTHORITY: KRS 304.30-070

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.30-070 authorizes the commissioner to make such reasonable administrative regulations to effectuate Subtitle 30 of the Kentucky Insurance Code and to regulate the manner in which licensed insurance premium finance companies conduct their business. This administrative regulation requires the regulated companies to file forms with the commissioner for his approval as conforming to the code.

Section 1. Approval of Forms. (1) No rate chart, premium finance agreement, advance notice of cancellation, final notice of cancellation, or other form, shall be issued, delivered, or used unless it has been filed in duplicate, and approved by the commissioner. Every such form shall bear thereon a date of issuance and an identifying symbol consisting of numbers or letters or a combination thereof.

(2) No premium finance agreement shall contain any provision by which:

(a) In the absence of default of the insured, the premium finance company holding the agreement may, arbitrarily and without reasonable cause, accelerate the maturity of any part or all of the amount owing thereunder.

(b) A power of attorney is given to confess judgment in this state.

(c) The insured relieves the insurance agent or broker or the premium finance company holding the agreement from liability for any legal rights or remedies which the insured may otherwise have against him.

(d) Prepayment is prohibited.

(e) Attorney's fees are recoverable from the insured.

(3) Service charges shall be inclusive of all charges incident to the premium finance agreement and for the extension of credit provided for therein.

(4) All forms shall comply with applicable "truth in lending" laws. (1 Ky.R. 1087; eff. 7-2-75; TAm eff. 8-9-2007; Crt eff. 2-26-2020; TAm eff. 3-10-2020.)